



NEWS FROM THE OFFICE OF
ULSTER COUNTY COMPTROLLER
ELLIOTT AUERBACH

ELLIOTT AUERBACH
COUNTY COMPTROLLER
244 FAIR STREET
KINGSTON, NEW YORK 12401

PHONE: (845)340-3529
eaue@co.ulster.ny.us
www.youreyesonulster.com

FOR IMMEDIATE RELEASE

To IDA Or Not To IDA? Here Are The Questions

Comptroller's Report Highlights Best Practices and Areas Needing Attention

KINGSTON, NY (October 8, 2014)....Ulster County Comptroller Elliott Auerbach has released a report which analyzes the effectiveness of Industrial Development Agencies (IDAs) in spurring economic development, and making recommendations for Ulster County's IDA (UCIDA).

The report provides a survey of recent scholarship and studies on the impact of IDAs, which range from opinions that the tax abatement and financing benefits provided by IDAs have no measurable benefits to the opinion that they are important tools in increasing the tax base and spurring job growth.

"The first goal of the report is to educate the public and lawmakers as to what the issues are, so that they can engage in a meaningful debate as to how to address them," said Auerbach. "While economists have drawn different conclusions from their data over the years, the studies present good baseline information which can be used to maximize the effectiveness of IDAs for all taxpayers, and that's the most important thing."

The report provides statistics about the UCIDA's current projects and practices. "The tax abatement issue is a controversial one here in Ulster right now," Auerbach acknowledges, "and there are important arguments to be considered on all sides of that debate. But," he points out, "the UCIDA is on the cutting edge of many best practices in this area, and their record of approving projects which meet the job promises made by applicants is 97% - which is exceptional."

Among its recommendations for changes to UCIDA policy are the recommendation that projects receive IDA benefits only where they would not proceed "but for" the IDA incentives, that there be increased vetting of project fiscal projections, and that local government or public concerns be more heavily weighted as part of the review and approval process.

The report, which was released to IDA Chair Mike Horodyski and the leadership of the Legislative Economic Development Committee prior to its public release, notes that there are competing pieces of state legislation pending in Albany which would change the IDA guidelines statewide. "Lawmakers, the IDA, and the public," Auerbach notes, should comment on that legislation, because changes made at the state level would take some decisions out of the hands of local IDAs. Our hope is that we've informed the public discourse – how that discourse plays out is up to the taxpayers of Ulster, their representatives, and the UCIDA."

The report can be found at www.ulstercountyny.gov/comptroller/news-media

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